GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:3772
ANSWERED ON:19.12.2005
LAND DEVELOPMENT BANKS
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Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Land Development Banks in each State are facing financial crisis;

(b) if so, the details thereof and the factors responsible therefor;

(c) the steps taken by the Union Government to strengthen the Land Development Banks;

(d) whether there is any alternative financial institution to provide long term financial assistance to farmers against mortgage of their land; and

(e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a)&(b): The State-wise details of accumulated losses during the years 2001-02, 2002-03 and 2003-04 in respect of State Cooperative Agriculture and Rural Development Banks (SCARDBs) and Primary Cooperative Agriculture and Rural Development Banks (PCARDBs) popularly known as Land Development Banks (LDBs) are Annexed. The main reasons for the poor performance of LDBs are low volume of business/ low resource base, low borrowing membership, lack of democratisation and professionalisation of management, high incidence of overdues, lack of skilled manpower, high cost of funds, low yield on assets, high transaction cost and inadequate margin .

(c): The Government of India has appointed a Task Force under the Chairmanship of Prof. A. Vaidyanathan to suggest an implementable action plan for the revival of the Long Term Rural Cooperative Credit Structure i.e. LDBs.

(d)&(e): The long term financial assistance to farmers against mortgage of their land is also met by Commercial Banks, Regional Rural Banks and to some extent by State Cooperative Banks (SCBs) and District Central Cooperative Banks (DCCBs) of short term cooperative credit structure.

Annexure

Accumulated Losses Of State Cooperative Agriculture & Rural Development Banks (SCARDBs)

(Rs. In Lakh)

Sl.No.	State/Union territory	2001-02	2002-03	2003-04
1	Assam	3217	3429	3503
2	Bihar	11273	13381	15008
3	Chattisgarh	NA	-	-
4	Gujarat	863	1047	-
5	Haryana	-	-	-
6	Himachal Pradesh	729	638	504
7	Jammu & Kashmir	1039	1396	1692
8	Karnataka	9190	12386	20172
9	Kerala	-	-	-
10	Madhya Pradesh	-	-	-
11	Maharashtra	7681	16889	24193
12	Manipur	142	233	233
13	Orissa	9697	10564	11261
14	Pondicherry	156	178	204
15	Punjab	-	-	-
16	Rajasthan	-	-	-
17	Tamil Nadu	4525	4567	7781

18 Tripura 919 1021 1047
19 Uttar Pradesh - - -
20 West Bengal - - -
All India 49431 65729 85598

Data Provisional

ACCUMULATED LOSSES OF PRIMARY COOPERATIVE AGRICULTURE & RURAL DEVELOPMENT BANKS (PCARDBs)

(Rs. In Lakh)

Sl.No. State/Union territory 2001-02 2002-03 2003-04

1 Chattisgarh 1849 2146 1932
2 Haryana 10978 15663 17011
3 Karnataka 41161 48670 59188
4 Kerala 6551 7635 7635
5 Madhya Pradesh 21963 23629 25325
6 Maharashtra 64545 75601 85105
7 Orissa 9494 10949 10949
8 Punjab 3008 3837 3023
9 Rajasthan 6491 7019 8701
10 Tamil Nadu 34698 38744 41563
11 West Bengal 4613 4252 4515
All India 205352 238145 264947

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